Nova Scotia

ANNUAL REPORT

*for the fiscal year*
*ending March 31, 1989*

# Department of Municipal Affairs

90-05198/

Nova Scotia

**Department of Municipal Affairs**

Office of the Minister

PO Box 216
Halifax, Nova Scotia
B3J 2M4

902 424-5550

Our file no:

The Honourable Lloyd R. Crouse, P.C.
Lieutenant - Governor
Province of Nova Scotia

May It Please Your Honour:

I have the honour to present to you the sixteenth Annual Report of the Department of Municipal Affairs.

Respectfully submitted,

Brian A. Young

Nova Scotia

**Department of Municipal Affairs**

Office of the Deputy Minister

PO Box 216
Halifax, Nova Scotia
B3J 2M4

902 424-4100

Our file no

The Honourable Brian A. Young
Minister of Municipal Affairs
Province of Nova Scotia
Halifax, Nova Scotia

Mr. Minister:

I take pleasure in presenting to you a report of the activities of the Department of Municipal Affairs, for the fiscal year ending March 31, 1989.

Respectfully submitted,

Gordon D. Gillis

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# DEPUTY MINISTER'S OVERVIEW

The Department of Municipal Affairs provides municipal government in Nova Scotia with advice, guidance and assistance. It effectively administers the various financial programs available to the municipalities, as well as the many Acts and Regulations affecting municipal government. During the 1988/89 fiscal year the Department provided approximately $86.6 million to municipalities in the form of grants.

The Department provides a uniform and equitable system of property assessment which is used as the basis for generating municipal property tax revenues.

It is also responsible for administering the Planning Act and the Building Code Act, and provides information and assistance on land use and community planning to municipalities and government departments.

In consultation with municipal government, the Department develops new and innovative policies and programs aimed at meeting the changing needs of municipal government. It strives to foster and maintain good provincial-municipal relations through effective cooperation and consultation. The Department works closely with the municipal governments of Nova Scotia to ensure that these objectives are realized.

## MUNICIPAL ELECTIONS

On October 15, 1988 municipal elections were held throughout Nova Scotia. The average voter turnout in the province was 51 percent. Of those elected, approximately one-third were new to municipal government.

Following municipal elections the Department of Municipal Affairs and the Union of Nova Scotia Municipalities (UNSM) co-hosted Orientation '88 for newly elected municipal officials. This two-day seminar offered an early insight into the many situations officials would face in the months to come. The seminar included workshops in municipal finance, legislative authority and communication.

## TASK FORCE

The Task Force on Municipal Reform is a joint committee of the UNSM and the Department of Municipal Affairs. Comprised of the Department's senior staff and the executive director, solicitor and financial consultant of the UNSM, it provides a valuable forum for the frank exchange of views and opinions. This Task Force has been instrumental in assisting the Department and the municipalities to better understand each other's concerns and interests.

## FACT FINDING COMMITTEE

The Department provides technical advice and assistance to the Provincial-Municipal Fact Finding Committee. This Committee is comprised of elected provincial and municipal representatives and is chaired by the Premier. It meets on a regular basis to review and discuss all aspects of the duties and responsibilities of the two orders of government in the delivery and finance of services to the people of Nova Scotia.

The Department believes that, with the support, advice and cooperation of elected officials, UNSM staff, and its 66 member units, we can work together to provide a stronger and more effective municipal government for Nova Scotians.

## MUNICIPAL GOVERNMENT IN NOVA SCOTIA

The term "municipality" in Nova Scotia has two distinct meanings. In one sense it means all local governments, as is usual elsewhere in Canada. In another sense, it means a municipality incorporated pursuant to the Municipal Act and often referred to as a rural municipality.

Every part of Nova Scotia is organized as a city, town, or rural municipality. (See Figure 1.) The Province is geographically divided into 18 counties. Twelve of these counties constitute separate municipalities. The remaining six counties are each divided into two districts, and each of these districts makes up a separate municipality. There are thus 24 rural municipalities constituted under the Municipal Act.

In addition to the rural municipalities there are three cities incorporated under their respective City Charters and 39 towns incorporated pursuant to the Towns Act. While located within the boundaries of a rural municipality, the towns and cities are independent of the rural municipality, except with respect to joint expenditures. The 1986 population figures for Nova Scotia's 66 municipal units are shown in Table 1.

A number of independent or semi-independent boards and commissions, established either by provincial legislation or by municipal by-law, also provide various municipal services. Within a rural municipality, these organizations include:

(1) Village commissioners, incorporated under the Village Service Act for the purpose of providing municipal services to more densely populated areas of the rural municipality within their jurisdiction. There are currently 25 incorporated villages in Nova Scotia.

(2) Local service commissions, incorporated by special Acts of the Legislature, generally for purposes of providing street lighting, fire protection, electric and water supply.

(3) Rural fire districts, incorporated under the Rural Fire District Act to provide fire protection within a designated area of a rural municipality.

Village commissioners, local commissions, rural fire districts and some other special purpose bodies are authorized to levy taxes in addition to those levied by the rural municipality itself. In most cases these taxes are collected by the rural municipality. None of these special purpose bodies may be established in a town or a city.

In a number of cases, commissions and other special purpose bodies have been established in cities, towns and rural municipalities for specific purposes. These include operating municipal facilities, for example a hospital, parking lot, utility, cemetery or rink; implementing municipal programs such as parks and recreation; or operating a joint municipal facility such as a courthouse. Generally, these commissions do not have the power to levy a tax and are financed directly by the municipal unit. It is estimated that there are more than 700 of these special purpose bodies throughout the province.

Education remains the largest single item of expenditure for most municipalities. As a result of legislation proclaimed in early 1982, all but one of the 85 municipal school boards that previously administered local education were consolidated into 21 district school boards comprised of one-third elected representatives. Under the new system, school trustees may be elected from ratepayers and their spouses in a school section to assist the district school board in an advisory capacity. These trustees are now active in a number of cases.

The basic element of municipal finance is the property tax, together with a number of variants such as the occupancy tax. Also important to municipal governments are grants from the provincial and federal governments.

Details concerning the municipalities and many of the other organizations that provide municipal services, including school boards, are contained in the Department's Annual Report of Municipal Statistics.

# FIGURE 1

## NOVA SCOTIA MUNICIPAL UNITS

Nova Scotia
Department of Municipal Affairs
P.O. Box 216, Halifax, Nova Scotia
B3J 2M4 Phone 424-4141

## TABLE 1

## NOVA SCOTIA MUNICIPAL UNITS 1986* POPULATION FIGURES

### CITIES

| | |
|---|---|
| Dartmouth | 65,243 |
| Halifax | 113,577 |
| Sydney | 28,115 |
| | 206,935 |

### TOWNS

| | | | |
|---|---|---|---|
| Amherst | 9,671 | Mulgrave | 1,051 |
| Annapolis Royal | 631 | New Glasgow | 10,022 |
| Antigonish | 5,291 | New Waterford | 8,326 |
| Bedford | 8,010 | North Sydney | 7,472 |
| Berwick | 2,058 | Oxford | 1,376 |
| Bridgetown | 1,118 | Parrsboro | 1,729 |
| Bridgewater | 6,617 | Pictou | 4,413 |
| Canso | 1,285 | Port Hawkesbury | 3,869 |
| Clark's Harbour | 1,098 | Shelburne | 2,312 |
| Digby | 2,525 | Springhill | 4,712 |
| Dominion | 2,754 | Stellarton | 5,259 |
| Glace Bay | 20,467 | Stewiacke | 1,265 |
| Hantsport | 1,357 | Sydney Mines | 8,063 |
| Kentville | 5,208 | Trenton | 3,083 |
| Liverpool | 3,295 | Truro | 12,124 |
| Lockeport | 917 | Westville | 4,271 |
| Louisbourg | 1,355 | Windsor | 3,665 |
| Lunenburg | 2,972 | Wolfville | 3,277 |
| Mahone Bay | 1,093 | Yarmouth | 7,617 |
| Middleton | 1,772 | | 173,400 |

* Source: 1986 Census Data - Statistics Canada

## TABLE 1 (Continued)

### RURAL MUNICIPALITIES

| | |
|---|---|
| Annapolis County | 20,068 |
| Antigonish County | 13,485 |
| Argyle District | 9,055 |
| Barrington District | 7,824 |
| Cape Breton County | 47,073 |
| Chester District | 10,605 |
| Clare District | 9,740 |
| Colchester County | 31,704 |
| Cumberland County | 17,331 |
| Digby District | 9,587 |
| Guysborough District | 7,294 |
| Halifax County | 119,588 |
| Hants East District | 18,181 |
| Hants West District | 13,345 |
| Inverness County | 18,077 |
| Kings County | 42,732 |
| Lunenburg District | 25,196 |
| Pictou County | 22,724 |
| Queens County | 9,830 |
| Richmond County | 11,841 |
| Shelburne District | 5,365 |
| St. Mary's District | 3,091 |
| Victoria County | 8,704 |
| Yarmouth District | 10,401 |
| | 492,841 |
| ALL TOTALS | 873,176 |

## THE DEPARTMENT

The Department of Municipal Affairs was established under the authority of the Municipal Affairs (Supervision) Act of 1935, to provide for the supervision of municipal accounts and records and to regulate municipal borrowing.

From its initial role as a watch dog over municipal finance, particularly municipal capital borrowing, the Department's role has greatly expanded. The Department of Municipal Affairs is now responsible for providing advice, guidance and assistance to municipal governments in Nova Scotia; for administering many of the provincial government's programs relating to municipalities; and for exercising general supervision of municipal affairs in the province. As part of its assistance to municipalities the Department helps municipal units in the preparation and review of by-laws before they are submitted for the Minister's approval and in the preparation and issuance of debentures. Other areas of assistance include the preparation of all borrowing resolutions for capital projects, the development of programs as they relate to municipalities and liaison with the federal government in areas that involve municipal activities. The Department is also responsible for producing annual assessment rolls which form the basis for municipal taxation.

In addition, the Department is actively involved in providing educational courses for municipal officials. In cooperation with the Dalhousie Institute of Public Affairs the Department sponsors a correspondence course in municipal administration. Departmental staff provide training programs for building inspectors and development officers.

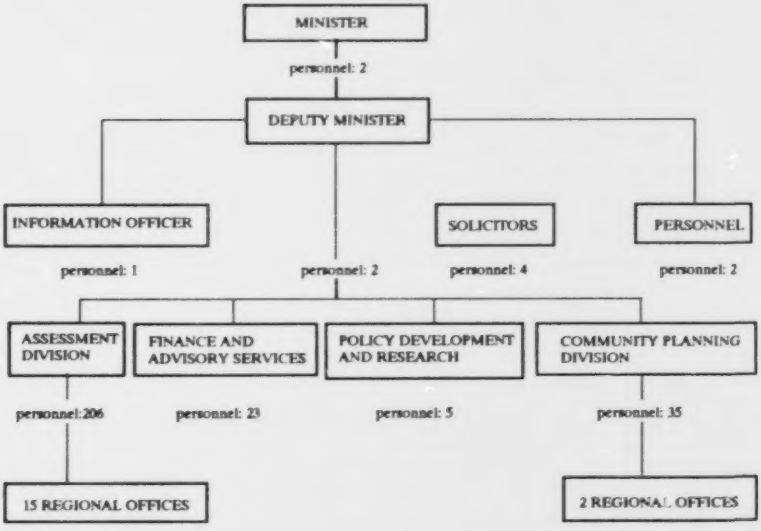
The Department of Municipal Affairs is made up of the Minister's Office, the Deputy Minister's Office and four divisions: Assessment, Community Planning, Finance and Advisory Services, and Policy Development and Research. The organization of the Department, as of March 31, 1989, is shown in Figure 2.

**FIGURE 2**

# ORGANIZATIONAL CHART

## Department of Municipal Affairs

March 31, 1989



## ASSESSMENT

On January 1, 1976, the Province assumed complete responsibility for the assessment function. As a result, 1978 was the first year that all property in the province was assessed uniformly. The Division continues to supply each municipal unit with a complete and accurate yearly assessment roll.

The Provincial Director of Assessment, who heads the Assessment Division of the Department of Municipal Affairs, is responsible for the administration of the Assessment Act in the Province of Nova Scotia. The Assessment Division, with a total staff of approximately 200, is comprised of 15 regional offices geographically located throughout the province, six sub-offices, and a Head Office located in Halifax (See Figure 3).

The regional office staff generally consists of assessors, assessment clerks and mapping technicians under the control of a regional director. Head Office has two Assistant Provincial Directors, a Coordinator of Data Control, three operations officers acting as support staff, and a technical unit consisting of an accredited Chief Appraiser, an accredited Appraiser and a specially trained Coordinator of Manuals and Special Properties. The Division also has the services of a Solicitor located in Head Office who handles all legal matters.

The Province, through the Assessment Division, is responsible for property assessment in Nova Scotia. Under Section 38 of the assessment Act, the following mandate is given:

> "All property shall be assessed at market value ... in forming his opinion the assessor shall have regard to the assessment of other properties in the town or municipality so as to ensure that taxation shall fall in a uniform manner upon all residential and resource property and in a uniform manner upon all commercial property in the town or municipality."

Once the property has been assigned an assessed value, this amount is recorded along with the values of all other properties in the city, town, or rural municipality, on a list that is known as the Assessment Roll. The Roll contains the names, addresses and assessment values of all assessable properties in the municipal unit.

Under Section 64 of the Assessment Act, the Assessment Division is required to provide each municipal unit with a complete Roll on or before December 31 of each year.

The 1989 Assessment Roll listed 478,829 property accounts found within 66 municipal units of Nova Scotia. Data from the 1989 Assessment Roll is shown in Table 2.

The Assessment Roll forms the basis for municipal property taxation which is the main source of revenue for the municipal units. Although property assessment is the responsibility of the provincial government the actual property taxation function is solely the responsibility of each respective municipality.

Once the municipal budget is determined, the municipal unit will set the tax rate based on the assessed value of property in that unit, and consequently bill the ratepayers.

The Assessment Roll is also used to administer the extensive grant system under the Municipal Grants Act (by the Department's Finance and Advisory Services Division).

As previously mentioned, the assessed value of all property is based on its actual market value. Since it would be physically impossible for each assessor to personally inspect every property in his/her jurisdiction on a yearly basis, the assessor must, during the intervening years, continue to ensure that all properties are assessed uniformly.

## TABLE 2

## 1989 ASSESSMENT ROLL DATA

| Classification | Number of Occurrences | Assessment Dollars |
|---|---|---|
| Residential | 335,008 | $15,734,604,819 |
| Commercial | 20,406 | 4,257,005,196 |
| Commercial Equipment | 1,188 | 686,563,641 |
| Resource | 84,352 | 666,053,670 |
| Business Occupancy | 23,562 | 1,644,434,017 |
| Farm | 23,308 | 259,841,275 |
| Forest | 57,389 | 666,116,208 |
| Non-Profit | 132 | 12,395,001 |

| | |
|---|---|
| Taxable Assessment | $22,988,661,343 |
| Exempt Assessment | 7,122,972,121 |
| Total | $30,111,633,464 |
| No. of Dwelling Units | 358,138 |
| No. of Accounts | 478,829 |

Reassessment is conducted every three years and brings all properties to market values as of a new base date. The last province-wide reassessment was completed for the 1987 taxation year with a base date of January 1986. This base date was used for the 1987, 1988 and 1989 taxation years with updated data reflecting additions and alterations that had occurred.

The Department has established an inexpensive and accessible system for ratepayers to challenge or appeal their property assessment at the Regional Assessment Appeal Court. The Minister of Municipal Affairs appoints a Chairman and Vice-Chairman in each assessment region who act as impartial chairmen during the relatively informal Regional Assessment Appeal Court proceedings. They are responsible for rendering a decision on each case. A ratepayer, if dissatisfied by a decision of the Appeal Court, may then appeal to the Municipal Board and subsequently to the Supreme Court of Nova Scotia (on matters of law only).

The Regional Assessment Appeal Court Recorder is located in each of the regional offices with the exception of the Shelburne-Queens office, where the Recorder is located in the Liverpool sub-office. The Recorder is responsible for many of the duties in the appeal process formerly performed by the Municipal Clerk. The Recorder is detached from the assessment function during the appeal period and is ultimately responsible for ensuring that all appeals launched by the ratepayers are processed according to the Assessment Act.

To ensure and maintain the integrity of the assessment data, the Department, in consultation with a private auditing firm, has developed a comprehensive audit program designed to test the adequacy of internal controls over the property assessment system. The ultimate aim of Municipal Affairs is to create an assessment system with internal controls which can be relied on by external auditors in their examination of the accuracy and completeness of the assessment data in the computer system. This analysis extends to the annual assessment roll which forms the basis of property taxation conducted by the municipal units.

The thrust of this audit program is towards the achievement of consistency in the 15 regional offices with regard to current assessment practices and the overall strengthening of internal controls. As a result of a recommendation from the 1981 external audit report the Assessment Division implemented an internal audit. This internal audit, which augments the audit program, is based on the same procedures and objectives as the

external audit.

In 1982 the Institute of Public Affairs at Dalhousie University conducted a Training Needs Analysis of the three-year correspondence course in property assessment and the one-year advanced course on urban land economics. As a result of this analysis a complete course revision was recommended. In conjunction with Henson College (formerly the Institute of Public Affairs), the Assessment Division is currently developing a four-year certificate program in property assessment. The program is designed to accommodate three groups (new employees, seasoned assessors and senior management). It is intended to complement training the assessors will receive on the job, through individual work experience and through professional studies and activities. Registration for the 1988-89 academic year had an enrolment of over 76 assessment personnel. The Assessment Division is also involved with a Trans-Canadian Assessment Training Program Steering Committee. This Committee is comprised of equal representation of both educational institutions and assessment jurisdictions from the provinces of Nova Scotia, Ontario, Quebec, Saskatchewan, Alberta, Manitoba, New Brunswick, Newfoundland, Northwest Territories, Prince Edward Island and the Yukon Territory. The primary purpose of the Committee is to develop a comprehensive national training program for assessors. This committee continues to meet to further pursue this goal.

The 36th Annual Assessors' School was held in April 1988. The primary purpose of the Annual School is to improve the quality of assessment in Nova Scotia through a comprehensive program of seminars. The 1988 School focused mainly on the fundamental workings of the Division's new computer-assisted mass appraisal system (OASIS). Sessions were held for mapping technicians which included stress management and an OASIS update. Senior management (both regional directors and senior asessors) participated in the first of seven modules in the Division's Management and Supervisory Development Programs.

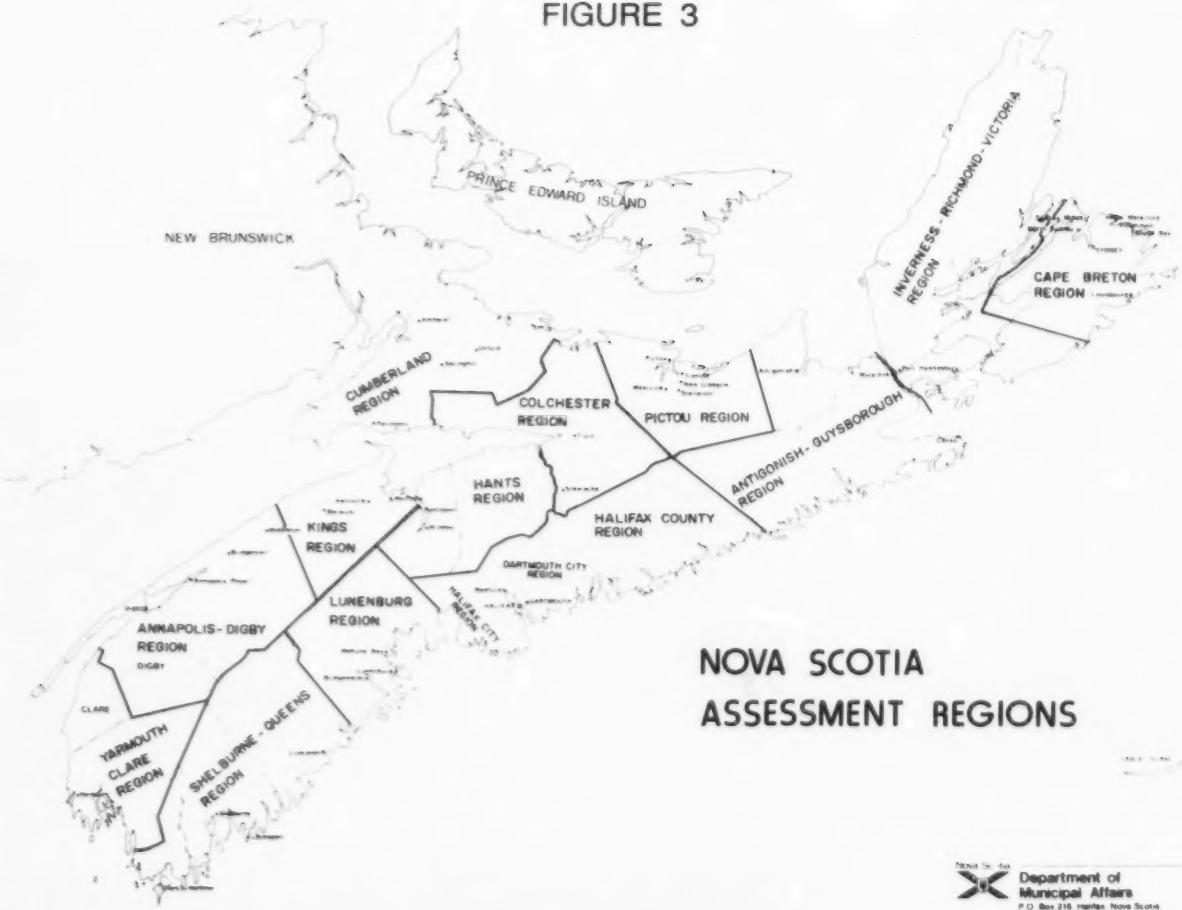
In 1983 the Assessment Division established two awards to be presented annually to the top assessment region of the year and to the assessor of the year. At the 1988 Annual Assessment School the Dr. Hugh S. MacGlashen Award for the top region of the year was presented to the Lunenburg Assessment Region, and the Kevin J. MacDonald Award for Assessor of the Year was presented to Fred Rogers from the Hants Assessment Region.

In September of 1987 the Assessment Division acquired an integrated computer mass appraisal system (OASIS). OASIS is comprised of two modules--the administrative tax roll subsystem (ATR), and the appraisal and analysis subsystem (AA). In an effort to provide a smooth transition to OASIS, two regional offices were designated as pilot regions to test the system.

In December 1987 the clerical staff of the two pilot offices were trained and began operating the ATR subsystem. Concurrently, a team was established to develop a training program for the AA subsystem and to ensure that current assessment data would be transferred to the new system in an orderly and comprehensive fashion.

By March 1, 1989 the assessment rolls for the 15 regional offices were generated from the ATR subsystem and eight regional offices had completed the data transfer process. In addition, an appraisal task force was established to make OASIS operational in one of the pilot regions.

# FIGURE 3




## NOVA SCOTIA ASSESSMENT REGIONS

Department of Municipal Affairs
P O Box 216 Halifax Nova Scotia
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## COMMUNITY PLANNING

The Community Planning Division is responsible for the administration of the Planning Act, the Building Code Act and the provision of information and assistance in the land use and community planning field to municipalities, government departments and interested individuals and organizations.

Through liaison with local planners, the Division provides advice on plan initiation and development, and on general planning matters. In municipalities that do not have specialized planning capabilities, the Division has initiated planning processes by increasing community awareness about planning, and assisting in the resolution of specific planning-related problems. In certain circumstances, at the request of the Municipal Council, the Division plays a more direct part in the preparation of the planning strategy and land use by-law.

During the fiscal year municipal planning strategies (mps) and land use by-laws (lub) for the Towns of Shelburne and Wolfville were adopted. Strategies and by-laws were also approved for the City of Sydney; the Towns of Bridgewater, Stewiacke, Parrsboro, New Waterford, Yarmouth and Westville; Upper Clements in Annapolis County; Lower Truro/Truro Heights in Colchester County; Districts 1 and 3, District 5 and Districts 8 and 9 in Halifax County; and Eastern Chester in Chester Municipality. In addition, 44 mps/lub amending documents were approved by the Minister after comprehensive legal and planning reviews by staff.

The Division also provides information and professional and technical support to other divisions and departments on land use policy, programs and projects. This includes background work in several issue areas of provincial interest, coordinated through the Province's Land Use Policy Committee, related to the possible preparation of provincial land use policies under the Planning Act.

An extensive map library enables the provision of base maps and information on existing land use, central sewer and water systems, and other land information to governments and the general public.

The Division administers provincial subdivision regulations affecting the dividing of land parcels in 19 towns and 14 rural municipalities. These regulations are administered by provincial development officers located in Sydney, Port Hawkesbury, Stellarton, Halifax, Bridgewater, Annapolis Royal

and Yarmouth. The remaining 33 municipalities administer their own subdivision by-law. During the 1988-89 fiscal year the Minister approved, after staff review, subdivision by-laws for the Towns of New Glasgow, Digby and Stellarton, and for the Municipality of Annapolis.

The Department provides cost-sharing and staff assistance for municipal planning services to many municipal units in the province. Direct financial support to individual municipal units amounted to $567,563, while the Department's support to District Planning Commissions totalled $679,865. An additional $423,348 of cost-sharing was provided to those municipalities which are involved with one or more other municipal units in jointly administering the province-wide Building Code.

Staff have been working with other Departments through the Provincial Land Use Policy Committee. Current and recent projects of this committee include studies of rural residential land subdivision procedures, community economic development, agricultural land use, wildlife habitats, land use information systems, mapping coordination and water issues.

The Division supports the Department of the Environment, which has primary responsibility for the administration of the Canada-Nova Scotia Flood Damage Reduction Program, with members serving on the Steering and Technical Committees.

Staff of the Provincial Planning Section of the Community Planning Division have undertaken a variety of projects related to Provincial initiatives. Generally these fall into three areas of activity: (1) consultations with other provincial Departments to resolve issues related to land use and development; (2) studies, maps and reports respecting land use matters of Provincial interest; and (3) advice and assistance on trunk servicing projects involving provincial funds.

Much of the coordination of provincial activities and policies in the area of land use and development is undertaken through the Provincial Land Use Policy Committee. In the past year subcommittees were involved in deliberations related to agricultural land use policy, community economic development, economy/environment integration, floodplain risk reduction, wildlife habitats, water resources, land use information and mapping coordination.

Within the Division, staff were involved in projects including developing procedures for the adoption of Provincial Land Use Policy,

identifying land use issues of provincial interest, overseeing studies related to transportation planning and metropolitan development, and preparing maps related to specific projects relevant to land use and urban development issues.

Staff continue to provide engineering assistance and advice concerning water and sewer servicing needs as required by municipal units. Engineering input is also available for the evaluation of municipal applications for financial assistance under the Provincial Capital Assistance Program and in support of the Halifax Harbour Clean-up Project.

## DEPUTY MINISTER'S OFFICE

The Deputy Minister's Office is made up of three sections: Personnel, Legal Services and an Information Officer.

### LEGAL SERVICES

The Department's solicitors provide legal counsel and services to the Department on matters within the scope of the legislation it administers. Most by-laws adopted by municipal councils require the approval of the Minister of Municipal Affairs and are reviewed by the solicitors prior to approval.

Borrowing resolutions for capital purposes are prepared by the Department in consultation with its solicitors. The resolutions are sent to the municipal unit for adoption by the council and then returned for ministerial approval. Various resolutions passed by municipal councils which require approval are also reviewed by the solicitors prior to approval.

On request the Department's solicitors provide information concerning municipal statutes and matters to the public and municipal officials. Consultative services are also provided to municipal solicitors.

### PERSONNEL

The Personnel section advises and assists the Deputy Minister and Divisional Managers in the selection, development, and effective utilization of human resources for the Department. This section also administers all employment-related legislation and contractual agreements and provides payroll and personnel benefit services.

### INFORMATION OFFICER

The Department's Information Officer provides information to the public and other government departments and agencies on the activities and programs of the Department. This position assists in the development and implementation of the Department's communication initiatives.

The Information Officer annually produces both the Department's Annual Report and the booklet, Financial Assistance Programs for Nova Scotia Municipalities.

Each year, during the month of May, the Information Officer organizes "Municipal Awareness Week" and encourages the participation of all municipal councils.

## FINANCE AND ADVISORY SERVICES DIVISION

The main objectives of the Finance and Advisory Services Division are:

1. to administer the Municipal Grants Act which provides both operating and capital grants to municipalities;

2. to administer other statutes and programs which provide financial assistance to municipalities such as the Provincial Capital Assistance Program, Urban Transportation, Special Projects and other grants;

3. to provide daily financial and administrative control over the Department's internal operation;

4. to provide advice, assistance and direction to municipalities in the area of finance and administration.

These objectives are met by assigning specific responsibilities to each of the six sections that make up the Division. These sections include finance and administration, statistics and systems, municipal training, urban transportation, management information systems, and municipal advisory services.

The Division participates in the activities of the:

1. Joint Department of Municipal Affairs-Union of Nova Scotia Municipalities Task Force.

2. Intergovernmental Conferences on Local Government Information Development.

3. Nova Scotia Municipal Finance Corporation.

4. Regional Assessment Appeal Court Committee.

5. Urban and Regional Information Systems Association.

6. Joint Committee on the Certificate Course in Municipal Administration.

7. Various Working Committees within the Provincial Government.

The following are descriptions of each of the Division's sections.

## FINANCE AND ADMINISTRATION

### FINANCE

The Municipal Grants Act was established in 1980 to improve on the Municipal Services Act. This Act sets guidelines for the administration, calculation and distribution of payments of the consolidated funding for Capital and Operating grants throughout Nova Scotia's municipal units. The Operating Grant is an unconditional transfer and is based on expenditure need and the ability to pay. The distribution of the Capital Grant is based on expenditure need and the funding may be used for all capital purposes except education, health, social services, and the administration of justice. Both Capital and Operating Grants are indexed yearly in accordance with the increase of the total revenue and recoveries as set out in the public accounts of the Province. In the 1988/89 fiscal year the Operating Fund amounted to $28.6 million while the Capital Fund totalled $23.2 million.

The Municipal Grants Act also provides other funding in the form of a Grant in Lieu of Taxes on provincially owned property in an amount equal to full taxes. Provincial properties for which no grants are paid are hospitals, educational institutions and correctional facilities. An exception to this is a payment of a Grant in Lieu of Taxes paid in the amount of 40 percent of full taxes that would be payable as residential property of post-secondary educational institutions and hospitals. Total funding for payments of this type amounted to $9.3 million for the 1988/89 fiscal year.

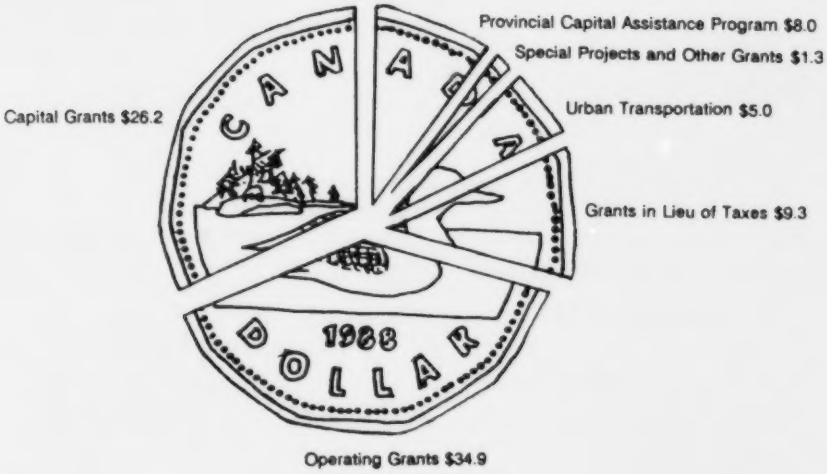
The Municipal Grants Act allows the Minister, with the approval of the Governor-In-Council, to provide financial assistance to individual municipalities in cases where the unit faces extraordinary financial difficulty. During the 1988/89 fiscal year this assistance amounted to $6.3 million.

A breakdown of dollars distributed through the Division's various grant programs is shown in Figure 4 and Table 3.

## PROVINCIAL CAPITAL ASSISTANCE

In 1981, the Executive Council approved and established a Provincial Capital Assistance Grant to replace the existing Provincial Supplementary Capital Grant with the prime purpose of assisting Nova Scotia's municipal units with water and sewer projects. In 1988 the Executive Council approved the expansion of this program for funding in the amount of $50.0 million over a five-year period. Funding in the 1988/89 period amounted to $8.0 million.

**FIGURE 4**



## OTHER GRANTS

Other grants or assistance are also provided under the category of discretionary and legislative grants and are distributed only after careful consideration and review of the projects concerned and the funding available. This amounted to $1.3 million in the 1988/89 fiscal year.

**TABLE 3**

**GRANT PROGRAMS**
**(in millions of dollars)**

| Program Description | 1987/88 Actual | 1988/89 Estimate | 1988/89 Actual |
|---|---|---|---|
| **Ordinary Expenditures:** | | | |
| Municipal Grants Act | | | |
| Operating Grant | 32.0 | 34.4 | 34.9 |
| Debt Servicing | 11.3 | 10.6 | 10.6 |
| Grant in Lieu Taxes | 8.8 | 9.1 | 9.3 |
| Special Projects & Other Grants | 1.3 | 2.2 | 1.3 |
| Urban Transit | 3.6 | 3.7 | 3.6 |
| Total Ordinary Expenditures | 57.0 | 60.0 | 59.7 |
| **Capital Expenditures** | | | |
| Provincial Capital Assistance | 5.1 | 5.5 | 8.0 |
| Municipal Grants Act - Capital | 12.0 | 12.6 | 12.6 |
| Urban Transportation | 1.9 | 1.5 | 1.4 |
| Other Capital | 4.5 | 2.5 | 3.0 |
| Total Capital Expenditures | 23.5 | 22.1 | 25.0 |

## ADMINISTRATION

The Administrative section is responsible for internal financial management and administration of central functions, within the Department.

Of primary importance is the preparation of the Department's annual budget and assistance provided to divisions during the budget process. Proper accounting and auditing procedures are in place to ensure accurate control and recording of all expenditures, revenues and recoveries. The Department's financial position is constantly monitored through monthly forecasting to ensure up to date information for senior management.

In addition to the above, this section acquires all equipment, furniture and supplies for the Department's head office and its regional offices. It also provides office accommodations necessary to ensure that working conditions and job-related environments are conducive to greater staff satisfaction and productivity.

Besides administering the policies and directives of government, this section also coordinates the provision of many centralized services in particular, payment of accounts, the records management program, inventory control and word processing.

## STATISTICS AND SYSTEMS

The Statistics and Systems section is responsible for the development and coordination of accounting, auditing, and reporting systems for municipalities based on standards of consistency and uniformity. Staff annually collect and compile financial and other statistical information from the reports submitted by local governments. This information is used to estimate and verify grant entitlements, analyze the financial condition of municipalities, research new proposals for provincial-municipal grant programs, and for the annual publication of the booklet, Municipal Statistics.

In addition, the section annually provides municipal financial information to Statistics Canada for both their Economic Analysis and Financial Management Series and to the Department of Finance for

inclusion in the calculation of the equalization payments for Ottawa.

The Statistics and Systems section periodically reviews and updates the Municipal Accounting and Reporting Manual and also interprets and explains the manual for municipal auditors and municipal administrators. Annually, the section reviews applications of individuals and firms wishing to be registered as municipal auditors, and recommends those qualified to the Minister.

This section also develops the standard expenditure per dwelling unit for each of the five classes of operating and capital grants payable under the Municipal Grants Act.

**MUNICIPAL TRAINING**

The Municipal Training Section provides a number of training programs for municipal employees on a regular schedule.

Building code courses for building inspectors attract participants from Atlantic Canada and beyond, and serve a variety of agencies. In addition, certification programs for both Atlantic Canada building inspectors and development officers are managed by the training section.

Current information on building codes, standards, construction methods and test data on new building products are maintained in this section, and matters relating to building codes are dealt with by them. Staff represent the Department on a number of advisory councils. Secretariat services are provided to the Atlantic Building Officials Councils.

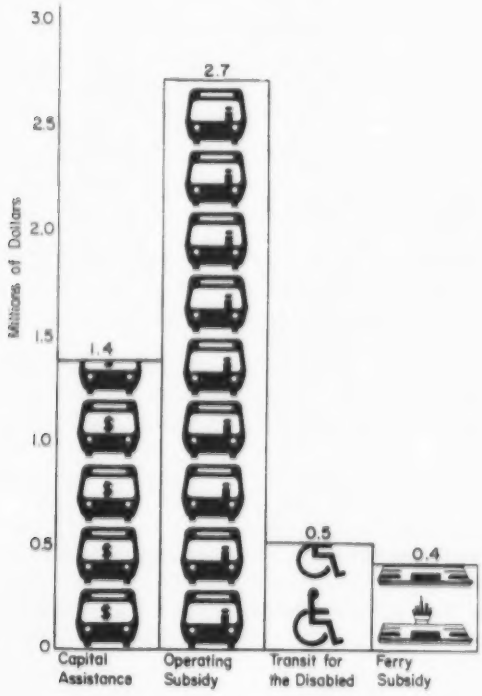
Consultation on program design and learning activities for seminars and conferences is provided to diverse municipal groups and a liaison is maintained through educational advisory groups.

## URBAN TRANSPORTATION

The Department's Urban Transportation section provides financial assistance to Regional Transit Agencies to help public transit make an effective contribution towards the social, economic and mobility needs of all citizens. On an ongoing basis this section works closely with management of local transit agencies in an attempt to improve scheduling, service delivery and enhance overall productivity.

During 1988/89 a total of $5.0 million in grants and assistance was paid for urban transportation throughout the province. Figure 5 provides a breakdown of the amounts paid under the various components of the Urban Transit Program.

**FIGURE 5**




URBAN TRANSIT SUPPORT PROGRAMS

## MANAGEMENT INFORMATION SYSTEMS

The Management Information Systems (MIS) section is responsible for coordinating and implementing all Electronic Data Processing (EDP) projects of the Department. It acts as a resource for all divisions and works closely with other government departments to ensure that EDP plans are met in the most cost-effective manner.

During the past year the Department continued to build on progress previously made in this area. The Department continued implementation of a computer-assisted property appraisal system which, when fully implemented, should greatly enhance the ability of the Assessment Division to produce equitable property assessments. The Department also continued to upgrade its computer hardware and communications facilities throughout the province. Staff orientation and training, to ensure productive use of EDP resources, continues to be a major activity within the MIS section.

Within the Department's head office, use of microcomputers has continued to grow as benefits from their application in new areas are determined. Two staff members were added during the year to further support the Department's activities in the MIS area.

## MUNICIPAL ADVISORY SERVICES

Municipal Advisory Services personnel provide advice, assistance and direction to the 66 municipal units in Nova Scotia in the areas of finance and administration.

Responsibilities of this section extend to all municipal operations including boards, commissions and agencies. Personnel are involved on an ongoing basis with the financial management process which includes budgeting, accounting and reporting. Staff evaluate requests for operating and capital project funding, arrange capital financing, and advise municipal units on administrative concerns and policy matters.

Advisory Services staff visit municipal units regularly to advise both appointed and elected officials of any provincial policy changes that relate to municipal units and to keep informed of municipal concerns and viewpoints.

Each year a number of special studies and programs are undertaken in the areas of financial planning, administrative studies, provision of municipal services, training, tax concessions and municipal policy. Frequently the Division is responsible for preparing a special report on a municipal unit that deals with some or all aspects of its financial or administrative status.

Specific activities of Municipal Advisory Services are described below:

**Financial Management**

To arrive at an annual budget, municipal units must initially estimate all expenditures and revenues, other than tax revenues, for the upcoming year. Any deficiency constitutes the tax levy to be assessed to property owners, resulting in a tax rate. The Division assists municipal units by reviewing annual estimates with municipal staff and councils. Inflationary pressures, capital projects, new service offerings, rates of growth and the size of the assessment base all have an impact on municipal budgets. Some of the budgetary reviews involve advice and recommendations to staffs and councils that promote a process of continuous discussion and feedback. In other cases, when a specific request for emergency funding is made, the budget review includes recommendations to the Minister with regard to additional financial assistance.

Staff of this section are responsible for providing advice to municipal units on accounting matters and explaining the provisions of the Nova Scotia Accounting and Reporting Manual.

The Division assists municipal units in establishing financial reporting systems and in some cases requires that these financial reports be submitted to the Department on a regular basis.

**Capital Programs and Budgets**

Each municipal unit is requested to prepare a three-year capital budget which outlines its capital expenditures and sources of revenue for that period. In addition to helping municipal staff complete the required documentation, staff now assist councils in setting long-term goals and identifying a timetable of capital projects to achieve these goals.

**Evaluating Municipal Requests for Special Funding**

Staff of this section evaluate requests for emergency operating funding each year. These evaluations include an indepth study of the municipal unit's proposed operating budget, comparison with other municipal units, and recommendations regarding budgetary revisions and the amount of emergency assistance to be provided.

**Evaluating Municipal Requests for Capital Funding**

A number of applications under the Provincial Capital Assistance Program for cost sharing in water and sewer projects are made annually. Staff of this Division prepare a financial evaluation of each project in terms of sources and cost of financing and the municipal unit's ability to pay its share of project costs.

**Interim and Long Term Financing**

Liaison with municipal units from the time a capital project is initiated through to project completion is an ongoing activity.

Capital projects result in costs which affect municipal operating estimates and generate subsequent increases in tax rates or user charges. The section is often called on to evaluate the capital financing alternatives available to the municipalities. Financial implications and the impact on the tax rate are projected through the municipal operating estimates and an assessment is made of a municipality's ability to borrow.

This section prepares temporary capital borrowing resolutions which the municipal units use to borrow from a trust company or bank for a proposed municipal project. After completion, long-term financing is provided to the municipality by the Municipal Finance Corporation. This section is responsible for the necessary coordination and documentation associated with these debenture issues. The Corporation borrows the money, with the guarantee of the Province, and subsequently lends the funds to the municipal units.

There are normally two debenture issues each year (Spring and Fall). In 1989 the Corporation borrowed over $80 million in debenture funds which were reloaned to municipalities, school boards and hospitals.

## Training

Municipal Advisory Services personnel assist with the training of municipal staff on an ongoing basis. Two examples are training and information sessions for village clerk treasurers and orientation sessions for new council members.

## POLICY DEVELOPMENT AND RESEARCH

Policy Development and Research was established in 1974 in response to a growing need within the Department for an increased capacity to develop, through research and consultation with affected parties, policies and programs aimed at resolving the various problems arising from changing needs in municipal government.

This Division is responsible for the formulation of policy and operational alternatives for consideration by the Department, the Government, and where appropriate, the municipalities, and for making recommendations thereon. It is also responsible for research to be used as the basis for policy decisions. It monitors current and proposed policies and programs at all government levels that affect municipal government in Nova Scotia and brings to the attention of the Department and the Minister actual or potential problem areas. The Division is also required to formulate and advance a range of alternative solutions or policies, with respect to identified problems together with recommendations for implementation by the Department or Government.

### TASK FORCE

The Joint Union of Nova Scotia Municipalities-Department of Municipal Affairs Task Force on Municipal Reform consists of the Executive Director, financial consultant and Solicitor from the Union of Nova Scotia Municipalities and senior staff from the Department. The Task Force spent a busy and informative year investigating and discussing various areas of common interest to provincial and municipal levels of government. The Division continues to spend a considerable amount of effort in preparing working documents for the Task Force. The Task Force meets regularly to examine present and projected areas of mutual concern. Its emphasis is on providing an effective vehicle for the ongoing development of policies and programs that will ensure a continuing and responsible system of municipal government in Nova Scotia.

### PROVINCIAL-MUNICIPAL FACT FINDING COMMITTEE

Established in 1984, the Provincial-Municipal Fact Finding Committee continues to meet on a regular basis to review matters related to provincial and municipal responsibilities for the delivery and finance of

services to Nova Scotians.

Chaired by Premier John M. Buchanan, the Committee is comprised of four members of the Executive Council including the Minister of Municipal Affairs and six representatives of the Union of Nova Scotia Municipalities including its four executive officers. Two independent advisors provide advice and assistance to the provincial and municipal representatives respectively. Staff of the Department's Policy Development and Research Division act as the Committee's Executive Secretary.

## BY-LAWS COMMITTEE

Royal Assent was given to amendments to the Municipal Act and Towns Act to eliminate obsolete by-law provisions as recommended by the By-law Review Committee. The Committee's recommendations were outlined in a Final Report which was released in December 1986.

Division staff are currently examining Committee recommendations pertaining to "statutory by-law" powers to assist the Department in setting its legislative priorities for the upcoming year.

## 1988 MUNICIPAL ELECTIONS

The Policy Development and Research Division also surveys, analyzes and reports statistical data on municipal elections which are held every three years.

Following the 1988 municipal elections, the Division prepared a statistical report, which was distributed to all municipal units and interested members of the general public. Also, in relation to municipal elections, the Division prepared and made available the following publications.

1. An office consolidation of the Municipal Elections Act (1988)
2. Municipal Elections Handbook (1988)
3. A Calendar Guide to Municipal Elections 1988
4. A Candidate's Guide to Municipal Elections 1988

This Division continues to be the Department's representative on the Intergovernmental Committee on Urban and Regional Research. In addition, the Division served as the liaison between Statistics Canada and the Province with respect to municipal boundaries.

Over the past year the Division continued to monitor legislative and research activities of other municipal and provincial governments across Canada. It also provided assistance to students and members of the general public who had specific requests for information regarding municipal affairs and provincial-municipal relations in Nova Scotia and Canada. The departmental library, which falls under the Division's auspices, continues to assist those seeking information on municipal government.

## LEGISLATION

**LEGISLATION ADMINISTERED BY THE DEPARTMENT OF MUNICIPAL AFFAIRS.**

Assessment Act and Regulations
Bonus Act
Building Access Act
Building Code Act
Community Act
Deed Transfer Tax Act
Ditches & Water Courses Act
Fences & Impounding of Animals Act
* Gulf Oil Canada Limited Tax Sharing Act
Heritage Property Act
* Industrial Commissions Act
Louisbourg District Planning & Development Commission Act
* Metropolitan Authority Act
Municipal Act
Municipal Affairs Act
Municipal Board Act
Municipal Boundaries & Representation Act
Municipal Conflict of Interest Act
Municipal Elections Act
Municipal Finance Corporation Act
Municipal Grants Act
* Municipal Housing Corporation Act
Municipal Loan & Building Fund Act
Peggy's Cove Commission Act
Planning Act and Regulations
Regional Transit Authority Act
* Rio Algom Limited Municipal Taxation Act
* Rural Fire District Act
Sheep Protection and Dog Regulation Act
Shopping Centre Development Act
Stray Animals Act
* Time Definition Act
Towns Act
Village Services Act

Copies of these Acts are available from:

The Nova Scotia Government Book Store
P. O. Box 637
One Government Place
1700 Granville Street
Halifax, Nova Scotia
B3J 2T3

(902) 424-7580

Copies of Acts marked * are not available at the Bookstore but can be obtained through the Department of Municipal Affairs and the Legislative Library.

# CHANGES IN LEGISLATION
# SPRING SESSION 1988

## AMENDMENTS

### Towns Act - c. 33

A new Section was added to the Towns Act relating to burning of brush, rubbish or other material. It enables councils to pass burning by-laws.

### Municipal Grants Act - c.49

The Municipal Grants Act was amended to set the grant fund level for 1988-89.

## PRINTED MATERIALS

**Title:** Department of Municipal Affairs Annual Report - No Charge

**Contents:** A general overview of the Department and its activities.

**Title:** Department of Municipal Affairs Annual Report of Municipal Statistics - $3.00

**Contents:** First published in 1909 under the Department of the Provincial Secretary, this document provides extensive statistical information, primarily financial, about municipal government in Nova Scotia.

**Title:** Financial Assistance Programs for Nova Scotia Municipalities - $3.00

**Contents:** A complete list of the various grants available to municipalities in Nova Scotia from both provincial and federal government departments and agencies.

**Title:** Nova Scotia Planning Seminar - $3.00

**Contents:** A summary of the annual conferences proceedings.

**Title:** Nova Scotia Municipal Board Decisions, 1986

Two Volumes - $10.00

These publications are available from:

The Nova Scotia Government Book Store
One Government Place
1700 Hollis Street
P.O. Box 637
Halifax, Nova Scotia
B3J 2I3

(902) 424-7580

# REGIONAL OFFICES

## HEAD OFFICE

| | Area Code (902) |
|---|---|
| Minister's Office | 424-5551 |
| Deputy Minister's Office | 424-4100 |
| Administrative Services | 424-5666 |
| Assessment | 424-5671 |
| Community Planning | 424-4091 |
| Finance and Grants | 424-6642 |
| Library | 424-5965 |
| Municipal Advisory Services | 424-5760 |
| Municipal Training Services | 424-8046 |
| Personnel Manager | 424-2717 |
| Policy Development & Research | 424-5901 |
| Solicitors | 424-7578 |

## ASSESSMENT OFFICES

**ANNAPOLIS-DIGBY REGION**
(Municipalities of Annapolis and Digby; Towns of Annapolis Royal, Bridgetown, Digby and Middleton)

Annapolis Royal, Annapolis Co.
Municipal Building
P.O. Box 237
B0S 1A0
532-2374

**ANTIGONISH-GUYSBOROUGH REGION**
(Municipalities of Antigonish, Guysborough, and St. Mary's; Towns of Antigonish, Canso and Mulgrave)

Antigonish, Antigonish Co.
42 West Street, Suite 116
B2G 2H5
863-1346; 863-1347

Guysborough, Guysborough Co.
1st Floor, Municipal Building
B0H 1N0
533-2154

**CAPE BRETON REGION**
(City of Sydney; Towns of Glace Bay,
New Waterford, Dominion, Louisbourg, Sydney Mines
North Sydney; Municipality of Cape Breton)

Sydney, Cape Breton Co.
Civic Centre, P.O. Box 1178
B1P 6J9
563-2150

**COLCHESTER REGION**
(Municipality of Colchester; Towns of
Truro and Stewiacke)

Truro, Colchester Co.
201 Queen Street, P.O. Box 433
B2N 5C5
893-5800

**CUMBERLAND REGION**
(Municipality of Cumberland; Towns of
Amherst, Springhill, Oxford and Parrsboro)

Amherst, Cumberland Co.
1st Floor
50 Victoria Road East
P.O. Box 4
B4H 3Y6
667-3397; 667-3398

**DARTMOUTH CITY REGION**
Dartmouth, Halifax Co.
Metropolitan Place, Suite 1050, 99 Wyse Road
B3A 1L9
424-5864

**HALIFAX COUNTY REGION**
(Municipality of Halifax Co.; Town of Bedford)

Armdale, Halifax Co.
2nd Floor, Municipal Building
38 Dutch Village Road
P.O. Box 300
B3L 4K3
453-7620

**HALIFAX CITY REGION**
Halifax, Halifax Co.
7th Floor
Royal Bank Building
George Street
Halifax, Nova Scotia
B3J 3A5
424-5225

**HANTS REGION**
(Municipalities of East and West Hants; Towns of Windsor and Hantsport)

Windsor, Hants Co.
Corner Gerrish & Grey Streets
P.O. Box 188
B0N 2T0
798-8337

Milford, Hants Co.
1st Floor, Municipal Building
P.O. Box 190
Shubenacadie, B0N 1Y0
758-2290

**INVERNESS-RICHMOND-VICTORIA REGION**
(Municipalities of Inverness, Richmond Victoria; Town of Port Hawkesbury)

Port Hood
2nd Floor, Court House
P.O. Box 98
B0E 2W0
787-2288

Baddeck
2nd Floor, Court House
B0E 1B0
295-2568

Arichat
1st Floor, Court House
B0E 1A0
226-2318

**KINGS REGION**
(Municipality of Kings; Towns of Kentville, Wolfville and Berwick)

Kentville, Kings Co.
Municipal Building
Cornwallis Street
P.O. Box 394
B4N 3X1
678-3618

**LUNENBURG REGION**
(Municipalities of Lunenburg and Chester; Towns of Lunenburg, Bridgewater and Mahone Bay)

Bridgewater, Lunenburg Co.
99 High Street
Room #203
B4V 1V8
543-4344

Chester, Lunenburg Co.
Municipal Building
B0J 1J0
275-3554

**PICTOU REGION**
(Municipality of Pictou; Towns of New Glasgow, Trenton, Stellerton, Westville and Pictou)

Westville, Pictou Co.
3rd Floor, Civic Building
P.O. Box 913
B0K 2A0
396-4196

**SHELBURNE-QUEENS REGION**
(Municipalities of Shelburne, Barrington and Queens; Towns of Clark's Harbor, Shelburne, Lockeport and Liverpool)

Liverpool, Queens Co.
2nd Floor Reynolds Drug Store
Main Street
B0T 1K0
354-3161

Barrington, Shelburne Co.
1st Floor, Municipal Building
B0W 1E0
637-2428

**YARMOUTH-CLARE REGION**
(Municipalities of Yarmouth, Clare and Argyle, Town of Yarmouth)

Yarmouth, Yarmouth Co.
1st Floor, Provincial Building
10 Starrs Road
B5A 2T1
742-7143

Little Brook, Digby Co.
1st Floor, Municipal Building
B0W 1Z0
769-2031

**COMMUNITY PLANNING FIELD OFFICES**

Provincial Subdivision Office
Central Trust Building
Reeves Street
Port Hawkesbury, Nova Scotia
B0E 2V0
1-625-1772 (Toll Free)

Provincial Subdivision Office
10 Starrs Road
Yarmouth, Nova Scotia
B5A 2T1
1-742-3515